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RUEHMO/AMEMBASSY MOSCOW 1646
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RUEHKP/AMCONSUL KARACHI 7085
RUEHLH/AMCONSUL LAHORE 3707
RUEHBI/AMCONSUL MUMBAI 8562
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RUEIDN/DNI WASHINGTON DC
RHHMUNA/CDR USPACOM HONOLULU HI
RUCNDT/USMISSION USUN NEW YORK 4046
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C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 001273

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SUBJECT: BJP RE-ENERGIZED, LOOKING FORWARD

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 1B. NEW DELHI 973
 1C. NEW DELHI 871
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 1F. NEW DELHI 1016
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Classified By: PolCouns Ted Osius for reasons 1.4 (B,D)

SUMMARY

1.(C) Summary: For the first time since its defeat in the 2004 national elections, the Bharatiya Janata Party (BJP) appears re-energized. On February 27, the BJP and its allies dealt a major blow to the Congress Party, beating them in two of three State Assembly elections up for grabs, Punjab and Uttarakhand. The issue that brought down the BJP in 2004 -- implementing growth and development that impacts all economic sectors of society equitably-- is the same challenge facing Congress today. The BJP is taking stock of the cause of its recent gains, strategizing and targeting the upcoming state elections in Uttar Pradesh (UP) and municipal elections in Delhi. Looking ahead to 2009, if its National Democratic Alliance (NDA) coalition government returns to power, the BJP views L.K. Advani as the top contender for Prime Minister, although the RSS and some in the BJP have pinned their hopes on controversial Gujarat Chief Minister Narendra Modi. During the Budget Session of Parliament which began on

February 23, the BJP is still capitalizing on opportunities to poke at an already weakened Congress. Anti-incumbency is as much a threat in Gujarat, whose voters go to the polls in December, as anywhere else. End Summary

HISTORY BITES BACK

12. (U) In 2004, the BJP and its NDA coalition government lost the national elections to the UPA government, led by the Congress Party. Ironically, the BJP ran a campaign called, "India Shining," to underline its government's achievements in development. The opposition played with these words in their campaigns to show that while development was growing in urban areas, the villages, left behind, remained in "darkness." Across the country, examples of politicians who had promoted development, including Chief Minister of Andhra Pradesh, Chandrababu Naidu, who put Hyderabad on the map for being a successful technology city, lost their elections. The Congress Party ran a campaign that highlighted development as being limited to urban areas, with rural areas left behind, and the BJP out of sync with the common man. This campaign launched the Congress Party back to its position of prominence, leading the UPA government. The BJP could only hold on to seven out of the 29 states in the Union with the support of local allies.

BJP LOST IN THE WILDERNESS

13. (SBU) Since 2004, the BJP has been lost in the political wilderness, fighting amongst themselves. The party was in too much turmoil to be considered a viable option by voters or a serious threat to Congress. But in 2007, the party

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appears to have pulled together, is strategizing with its allies and attacking Congress in strong campaigns on issues close to the heart of Indian voters, such as inflation, development and growth. On a trip to Punjab in January 2007, contacts told PolOff repeatedly how impressively the Shiromani Akali Dal/BJP campaign used media and ran a sophisticated campaign. To its credit, the BJP's campaign managers have engineered outright wins in state elections in Bihar, Punjab, and Uttarakhand, and in municipal elections in Mumbai and UP. They also hope to do well in UP state elections and Delhi municipal polls in April and May.

BJP NOT SURPRISED TO WIN

14. (C) On March 2, Poloff met with senior BJP grassroots activist, Mr. Seshadri Chari, who remarked, "the BJP was not surprised to win, just like the Congress was not surprised to lose (the elections in Punjab and Uttarakhand)." The positive results in the municipal elections in Uttar Pradesh in November 2006 and Maharashtra in February 2007, revealed the first signs of an upward trend for the BJP, Chari stated. The BJP ran strong, smart campaigns in Uttarakhand and Punjab, emphasizing Congress' failure --ironically-- to reach rural areas with its development efforts. In Uttarakhand, the BJP successfully attacked Congress on national security, pointing to an attitude of leniency towards Mohamad Afzal, who is sentenced to die for his involvement in the attack on Parliament in December 2001. National security struck a chord with the large number of ex-servicemen living in Uttarakhand. Lack of development, inflation, and national security are the primary messages the BJP used in Punjab and Uttarakhand. Chari told us the BJP will continue to hammer Congress on these issues.

THE BALANCING ACT

15. (C) On February 28, Poloff met with BJP National Secretary, Dharmendra Pradhan, who complained that "India

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cannot be only market driven." He criticized the UPA for failing to balance the needs of the common person and the growth of the economy, although he would not criticize specific UPA policies and programs. (Note: This may be because the BJP itself supported market driven policies during its last tenure and initiated a number of the reform and liberalization programs that the UPA is continuing. The UPA could rightly label much of this criticism as hypocritical. End Note.) Pradhan confirmed that the BJP plans to blame the UPA for encouraging futures trading and hoarding, which he insisted were the primary causes of the current inflation. Pradhan expected that the inflation issue will provide plenty of ammunition for the BJP to attack Congress in the upcoming elections in Uttar Pradesh. It is unlikely Congress will be able to convince many voters that it will be able to bring inflation under control any time soon, with proposed measures such as banning futures trading in staple food items such as wheat and rice - a measure that is somewhat esoteric to the voter.

"THE ROAD TO DELHI IS VIA LUCKNOW"

16. (SBU) Stressing the importance of the upcoming UP elections, on December 24, 2006, former Prime Minister Atal

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Bihari Vajpayee told the BJP National Council, "the road to Delhi (in 2009) is via Lucknow." As such, the BJP appears willing to do almost anything to win or show positive strides in UP and its upcoming elections. On March 11, the BJP announced a new UP state working alliance with the Janata Dal (United) (JD(U)) -- already partners with the BJP in the NDA government-- and Apna Dal, a regional party in UP. Apna Dal is a caste-based party with strong ties in eastern UP. In the UP elections in 2002, they demonstrated their power to split the Hindu vote pool which is traditionally targeted by the BJP -- resulting in losses for the BJP. Now that BSP leader Mayawati has expressed that her party will target Brahmins (the traditional stronghold for the BJP), the BJP will need all the Hindu help it can get. Even though Apna Dal ran a campaign that slammed the BJP in the previous election, both parties understand the necessity of working together. The BJP hopes this new alliance will serve to consolidate and swing voters into its camp versus splitting the vote bank. The BJP obtained the support of Apna Dal through their NDA partner the JD (U), whose leader is of the same caste Apna Dal represents, the Kurmis. (Note: More BJP and UP analysis is forthcoming septel. End Note).

"ANTI-MINORITYISM" PLATFORM

17. (C) Both Pradhan and Chari explained what they termed an "anti-minorityism" strategy the BJP plans to use in the Uttar Pradesh state assembly elections -- slated throughout the month of April 2007. Chari talked about previous attempts to win Muslim votes by proposing targeted empowerment schemes. He did not think these schemes worked as a political tactic, so, he said, the BJP will not cater to Muslims or pander to minority voters. Chari stated that both the Samajwadi Party (SP) and Congress will fight over the Muslim vote in UP. However, he predicts Muslims in UP will side with SP's Mulayam Singh Yadav, feeling that he has suffered as Congress's target. Pradhan told us the BJP strategy will focus on consolidating the Hindu vote in the state, a normally thankless task since Hindus vote by caste.

BUDGET SESSION BEGINS

18. (C) The Budget Session began in Parliament on February 23 with the BJP and other opposition parties chanting slogans and disrupting business for days. Emboldened by electoral

gains (Reftel A and B), Congress' Quattrocchi Bofors scandal (Reftel D), Congress' failed attempt to seek President's Rule in Uttar Pradesh -consequently resulting in the SP withdrawing support from the UPA government (Reftel C), and the Left and other UPA coalition members gaining leverage against the Congress Party (Reftel E and F), the BJP has enough fodder to cause Congress grief for a while. Chari characterized the proposed Congress budget as an intricate coalition dance Congress is performing. Aside from "semi-decent" health and education proposals, Chari criticized the budget as not doing enough and being too middle of the road. A chastened Congress will need to maneuver this budget session with catlike grace and a keen strategy to maintain its credibility with an increasingly skeptical public. Congress is clearly scared, he mused.

WHO WILL LEAD THEM?

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¶9. (C) On the matter of who would be the Prime Minister if the BJP returned to power in 2009, Chari emphatically stated, "L.K. Advani." He continued to reflect, however, adding that NDA coalition partners might demand Atal Bihari Vajpayee as a condition of participating in the coalition. In this instance Vajpayee could return as PM, although he will be 84 years old.

¶10. (C) However, on February 21, Arun Shourie of the BJP National Council suggested to PolCouns that Gujarat Chief Minister Narendra Modi might be tapped as Prime Minister if the BJP took power in 2009. Others in the party, including a BJP legislator from Rajasthan, Vishnu Modi, expressed skepticism regarding Chief Minister Modi becoming the party standard-bearer. Modi (no relation to CM Modi) noted the anti-incumbency factor could pose a significant problem for Chief Minister Modi and the BJP in the upcoming state elections in Gujarat scheduled for December 2007. However, Chief Minister Modi remains highly popular in Gujarat and most observers in the state expect him to be reelected by a large margin. Most also expect him to use an election victory at the state level as a springboard into national politics (reftel G).

COMMENT: REVIVAL? MAYBE

¶11. (C) There is no doubt that the BJP is reenergized given recent events, including the recent gains in the Punjab and Uttarakhand state elections; however, a revival of the BJP on the national front continues to be an uncertain prospect. Congress faced tough challenges in these state elections, with the anti-incumbency issue plaguing its strongholds. The BJP has also been offered a plate of Congress foibles, resulting in the loss of SP support at the Center and a more strident Left weakening the party. If the BJP is to return to power, it must capitalize on this moment. Elections, however, are won and lost on the same issues --balancing growth and development with a piece of the pie for all. In Indian politics, the anti-incumbency factor is particularly salient, often resulting in a change of regime. While an electoral win in Delhi municipal elections looks possible for the BJP, state elections in UP do not look exceptionally bright for either the BJP or Congress. Anti-incumbency could also yield a surprise in Gujarat. If the BJP keeps winning in the states, however, on its twin platform of onion prices and "anti-minorityism," it may have hit upon the formula it needs in 2009 to unseat the UPA at the Center.

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